

GOLDSOURCE MINES INC.

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Goldsource Announces Closing of Private Placement for \$375,000

TSX-V: GXS

For Immediate Release

Vancouver, B.C. July 23, 2004 – Goldsource Mines Inc. (the “Company”) is pleased to announce the completion of its non-brokered private placement of up to 1.5 million Units at a price of \$0.25 per Unit on July 21, 2003. The private placement was previously announced in the Company’s June 15, 2004 news release. The private placement was fully subscribed, with a total of 1.5 million Units being issued for gross proceeds of \$375,000, each Unit consisting of one common share of the Company (“Common Share”) and one common share purchase warrant (“Warrant”) with each Warrant exercisable into one common share of the Company at a price of \$0.35 per share until July 21, 2006. If the closing trading price for common shares of the Company is \$1.00 per share or greater for ten consecutive trading days, the Company may elect to provide notice to holders of the Warrants and the Warrants will then expire 30 days after the date notice is given. The Common Shares and Warrants are subject to a four-month hold period that expires on November 22, 2004.

The proceeds of the private placement will be used to advance exploration of the Company’s mineral properties, service maintenance costs and for additional working capital.

The 21-day period relating to the filing of a material change report in accordance with section 5.2 of Ontario Securities Commission Rule 61-501 has been abridged because the Company has proceeded with the closing of the private placement in order to have access to the private placement proceeds to proceed with its business objectives.

*On Behalf of the Board of Directors of
GOLDSOURCE MINES INC.*

J. Scott Drever, President

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